



Questions & Answers about the 1998 Washington Legislature

We have received a number of frequently asked questions from constituents during the past months in letters, phone calls, personal visits and public forums.

How large is the state's budget surplus and how can it be used?

The budget surplus for the 1997-99 biennium is now anticipated to be \$861 million.

Initiative 601 requires that surplus funds beyond a certain level be placed in an emergency reserve fund. Right now we have \$194 million in reserve. Money in this account can only be spent with the approval of two-thirds of both the House and Senate.

This leaves \$667 million in available funds. The limit established by I-601 allows us to spend only \$185 million.

One of our goals this session is to hold the line on spending and continue to slow the growth of government. We expect to save as much as \$100 million from making government more efficient, and from lower than expected school enrollments and welfare caseloads. And we will still be able to meet emergency needs and make necessary budget adjustments.

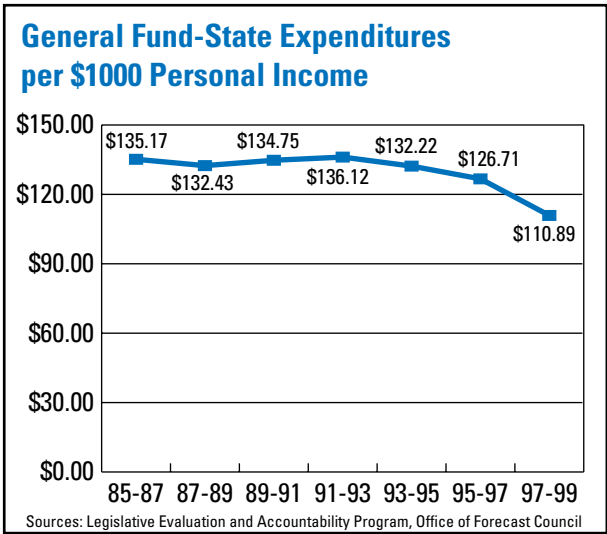
Possible uses for the surplus include further tax relief, increasing the reserve fund, or moving excess money from the general fund to transportation to pay for road repair and highway improvements without increasing the gas tax.

How did the surplus get to be this large?

We have a surplus because current state revenues far exceed state spending.

Two major factors are responsible for this strong fiscal situation. One is our state's growing economy. The other is the restraint in government spending that has been imposed since 1994 — thanks to the limits established by I-601 and the Legislature's responsible budget policy.

Our efforts in 1997 resulted in the smallest budget growth in 25 years.



What is a "supplemental" budget?

Originally, the state constitution called for the Legislature to meet only every other year, in the odd numbered years (as the Oregon Legislature continues to do). It is during these sessions that legislators adopt a biennial budget to cover a two-year period.

In 1979 the constitution was amended to allow for a short session, limited to 60 days, to be held in even-numbered years. This was done so the Legislature and governor could review the budget and make necessary adjustments during the middle of the budget period.

Supplemental budgets are not supposed to be used to rewrite the existing budget or expand government.

Do you support the governor's proposed 11-cent-per-gallon increase in the state gas tax?

No.

We do not support the governor's plan to raise the gas tax first by 5 cents per gallon, then, after automatic future increases, by about 11 cents over the next few

years. The state portion of the gas tax is 23 cents, which makes it the 17th highest in the nation. In addition, you must pay an 18-cent federal gas tax. We don't think you should have to pay any more.

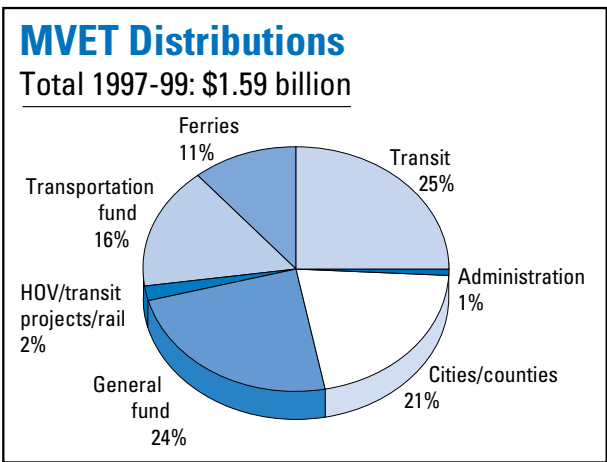
While we oppose a gas tax increase, we are committed to finding responsible solutions to the transportation problems we face. Southwest Washington is one of the fastest growing areas in the state. As our economy and population grow, so do the strains on our transportation system. Anyone who's been stuck in a traffic jam knows how frustrating it is when the system doesn't meet drivers' needs.

Our economy depends on an efficient road system, so that goods and people can be moved in a timely manner. Without a solid infrastructure, our economic competitiveness will be hurt.

Can transportation needs be met without a tax hike?

Yes.

We can make sure taxpayer money is spent efficiently and effectively on the transportation projects that are most important to the people. Our first priority should be roads. Transit — including ferries, commuter trains, and the like — may be important, but nothing is more crucial than the quality and safety of Washington's roads and highways.



Just like any family working within a budget, we must spend money on our most pressing needs first.

Instead of raising taxes, we must be more careful with the funds we already have.

Republicans in the House and Senate have put together a \$2.4 billion transportation funding package that fully funds our transportation needs without raising the gas tax. Our proposal would use more funds from the Motor Vehicle Excise Tax (MVET) -- which is the tax you pay each year to license your automobile -- directly for transportation projects. It would also take non-transportation items currently funded by MVET, such as criminal justice programs, and transfer them to the state general fund. And it would cut the MVET by about \$40 per vehicle.

We will submit our funding package to the voters in November 1998 so the people can re-affirm and strengthen I-601.

Like Gov. Gary Locke's transportation plan, our proposal will take care of all our state's transportation needs and protect criminal justice funding. But unlike the governor's proposal, ours does not raise taxes. It is a responsible, practical plan that lets you keep more of your money.

We will also fight waste and inefficiency in the transportation bureaucracy -- we can't keep asking taxpayers to pay more without demanding more accountability.

How is the property tax relief and reform measure approved last year by the Legislature and passed by voters in November working?

We are already seeing some encouraging results thanks to the strong voter support for our property tax relief package, which was on the ballot as Referendum 47 as a result of the governor's veto.

In addition to a permanent reduction in the state portion of the property tax, the key ingredient in Referendum 47 is a stricter limit on property tax increases by local governments.

In the past, many cities, counties and other taxing districts had gotten in the habit of enacting the highest property tax increase allowed year after year. Some property taxes were doubling every nine years!

Now, local property taxes are limited to the rate of inflation, unless the local government declares an emergency and approves the increase by a super-majority vote. So far, several local governments are living within the inflation limit — which this year allows a 1.9 percent increase. Many other governments are at least holding their increases significantly below the old 6 percent limit.

Comparison of local property taxes from 1997 to 1998 in selected Southwest Washington cities and counties

Local gov.	1997 tax increase	1998 tax increase
Kelso	6.0%	1.9%
Vancouver	6.0%	1.9%
Olympia	6.0%	1.9%
Clark County	5.0%	1.9%
Lewis County	5.9%	1.9%

Still, there are some cities and counties that refuse to change their habits and are still raising taxes as much as ever. But the good news is that these elected officials are now more accountable to the public for their actions.

Our property tax relief measure was a positive step, but we remain committed to seeking more relief for homeowners.

What results are we seeing from the welfare reforms enacted last year by the Legislature?

Since our groundbreaking welfare reforms were adopted, thousands of Washingtonians have moved off welfare and into jobs. Even before the new law went into effect, the change in philosophy and attitude toward work and personal responsibility, and away from dependence on government, brought about a dramatic reduction in Washington's welfare caseload.

So far, the number of two-parent families on welfare has dropped by 30 percent and we are seeing 8 percent fewer single-parent families collecting welfare grants.

Washington's "WorkFirst" initiative has been a great success. Local businesses agree to hire former welfare recipients, who are then able to get on-the-job experience. We're encouraged by the way many employers are helping put people back into the workforce.

Most important, we're proud we helped change a system that had gone terribly wrong. For years many Washingtonians were crushed by the vicious cycle of welfare dependence. But now, they are being given the chance to take control of their lives — to live independently and responsibly.

What are some of the legislative proposals you are working on that will affect Southwest Washington residents?

Air and water quality: We are involved with a number of bills to protect our communities and the environment by ensuring that polluters take responsibility for cleaning up any mess they cause.

"Adverse possession" law: The law currently states that a person who uses part of another person's land productively for more than 10 years, without the objection of the other landowner, is given legal title over that land. We are working to make it harder for a person to claim ownership of someone else's land.

Protecting consumers: A bill we are introducing to prohibit overcharging by moving companies is in response to the problems faced by a local family when they were billed for thousands of dollars in excess of the estimate they had been given.

State Representatives

JOHN PENNINGTON and
TOM MIELKE

P.O. Box 40600
Olympia, Washington 98504-0600

Q&A

Questions & Answers
about the 1998
Washington Legislature

BULK RATE
U. S. POSTAGE PAID
Washington State
Department of Printing

CONSTITUENT DAY IN OLYMPIA:
Learn inside how to attend!

TOLL-FREE LEGISLATIVE HOTLINE 1-800-562-6000

State Representative
JOHN PENNINGTON

State Representative
TOM MIELKE

1998 Legislative Priorities

✓ We will remain steadfast in our commitment to protect taxpayers — by holding the line on state spending and continuing to seek additional tax relief.

✓ We will continue to improve the quality of education — with a special emphasis on doing a better job of teaching reading — so our children will be better equipped to learn throughout their school careers.

We also intend to keep working to encourage greater parental involvement in the education of their children and to provide more choices and options for students and parents.

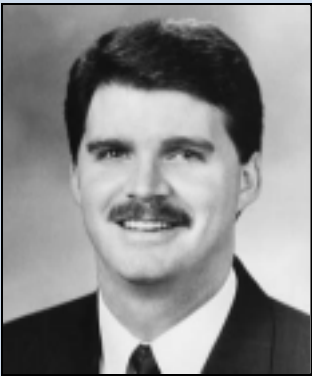
✓ We will do more to protect our families, our homes and our communities from the threat of juvenile crime — with a special effort made to improve the security and monitoring of detention facilities.

We will take action to stop dangerous criminals from being let loose in our communities where they pose a danger to our safety.

✓ We are going to do a better job of protecting society from the drunk drivers who are responsible for far too many tragedies.

We are going to put a special emphasis on keeping drunk drivers off our streets — by taking away licenses, impounding cars and other overdue actions.

✓ We are going to find ways to responsibly and effectively meet the transportation needs of our state — WITHOUT RAISING TAXES.



State Representative
JOHN PENNINGTON
House Speaker Pro Tempore

Committees:

- Rules, *vice chairman*
- Natural Resources
- Finance
- Legislative Ethics Board
- Governor's Small Business Improvement Council

409 Legislative Building
(360) 786-7812
penningt_jo@leg.wa.gov



State Representative
TOM MIELKE

Committees:

- Transportation Policy and Budget, *vice chairman*
- Energy and Utilities
- Government Reform and Land Use

418 John L. O'Brien Building
(360) 786-7850
mielke_to@leg.wa.gov

Dear Friends,

We are proud to be your representatives in Olympia. We are working hard to make government more accountable and responsive to you, and to improve the way government treats its citizens. Most important, we are working together to give you a strong voice in the Legislature. And we continue to look at every way in which we can do our jobs in the most efficient and effective way — including sending this joint newsletter to save on production and postage costs.

Please join us in Olympia for
18th DISTRICT DAY AT THE LEGISLATURE

Friday, Feb. 20 — 9:30 am to 2 pm

Meet with your legislators, sit in on committee meetings, watch the House and Senate in action, and tour the Capitol.

If you would like to attend, please RSVP by calling (360) 586-8687. We will send you the schedule for the day along with directions and parking information.

DISTRICT OFFICE INFORMATION

Now that the Legislature is back in session, we have temporarily closed our in-district office.

After this year's session is over, we anticipate again opening an office in the district to make government more accessible for you. Look for details on the district office this spring.

Sincerely,

JOHN PENNINGTON

TOM MIELKE